

BALL JANIK LLP

JAN 27 '99

2-40 PM

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LOUIS E. GITOMER
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January 27, 1999

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Dear Secretary Williams:

I have enclosed two originals of the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is an Instrument of Satisfaction and Release, a secondary document, dated as of October 1, 1998. The primary document to which this is connected is recorded under Recordation Nos. 19699. We request that this document be recorded under Recordation No. 19699-B.

The name and address of the party to the Instrument of Satisfaction and Release is:

Secured Party:

MetLife Capital Corporation
10900 N.E. 4th Street
Bellvue, WA 98004

A description of the equipment covered by the Instrument of Satisfaction and Release consists of: three GP-35 locomotives numbered 6606, 6628, and 6629; one GP-30 locomotive numbered 3002; and 31 hopper cars numbered KMGX 57402-57417, inclusive, 57419-57426, inclusive, and 57428-57434, inclusive.

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

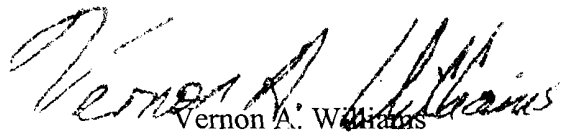
OFFICE OF THE SECRETARY

Louis E. Gitomer
Ball Janik LLP
1455 F Street, NW., Ste. 225
Washington, DC., 20005

Dear Sir:

The enclosed documents (s) was recorded pursuant to the provisions of 49 U.S.C.
11301 and CFR 1177.3 (c), on 1/27/99 at 2:40 PM, and
assigned recordation numbers (s): 19699-B, 19698- F, 20526-D and 20812-A.

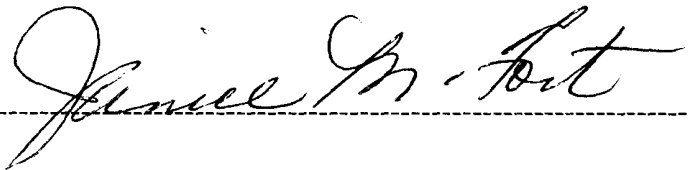
Sincerely Yours,


Vernon A. Williams

Enclosure(s)
104.00

\$_____ The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature-----



JAN 27 '99

2:40 PM

INSTRUMENT OF SATISFACTION AND RELEASE (the "INSTRUMENT"), dated as of October 1, 1998, by METLIFE CAPITAL CORPORATION ("METLIFE").

WITNESSETH

WHEREAS, a Lease Assignment and Security Agreement dated as of October 24, 1995 (the "October Lease Assignment and Security Agreement") between WATCO, INC. ("WATCO"), as lessor, and SOUTH KANSAS and OKLAHOMA RAILROAD ("SOUTH KANSAS"), as lessee, and METLIFE, as lender, was filed and recorded at the Interstate Commerce Commission (the "ICC") on November 9, 1995 in Recordation No. 19699, whereby WATCO and SOUTH KANSAS pledged as security to METLIFE: (1) three GP-35 locomotives numbered 6606, 6628, and 6629; and (2) one GP-30 locomotive numbered 3002 (the "Locomotives");

WHEREAS, a Lease Assignment and Security Agreement dated March 14, 1996 (the "March Lease Assignment and Security Agreement") between WATCO, as lessor, and SOUTH KANSAS, as lessee, and METLIFE, as lender, was filed and recorded at the Surface Transportation Board, the successor agency to the ICC, on March 15, 1996 in Recordation No. 19699-A, whereby WATCO and SOUTH KANSAS pledged as security to METLIFE 31 hopper cars numbered KMGX 57402-57417, inclusive, 57419-57426, inclusive, and 57428-57434, inclusive (the "Hopper Cars");

WHEREAS, METLIFE desires to execute this Instrument to evidence for the public record the satisfaction and release of all of its rights and obligations under the October Lease Assignment and Security Agreement and the March Lease Assignment and Security Agreement (both referred to as the "Lease Assignment and Security Agreement") with respect to the Locomotives and the Hopper Cars (collectively referred to as the "Equipment").

NOW, THEREFORE, in consideration of the premises:

METLIFE does hereby acknowledge and confirm for the public record the satisfaction and release of all of its rights and obligations arising under the Lease Assignment and Security Agreement with respect to the Equipment. METLIFE does hereby acknowledge and agree that all of the monetary obligations of WATCO and SOUTH KANSAS under the Lease Assignment and Security Agreement have been fully discharged and satisfied and METLIFE does hereby release its security interest in all of the Equipment and Lease Assignment and Security Agreement with regard to the Equipment.

IN WITNESS WHEREOF, METLIFE has executed or caused this Instrument to be executed as of the date first above written.

METLIFE CAPITAL CORPORATION

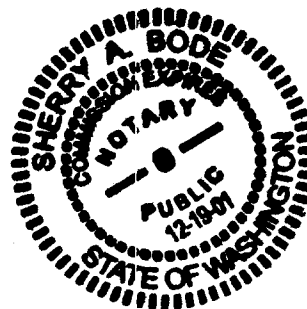
By: Judy Johnston
Name: Judy Johnston
Its: V. M.

State of WASHINGTON)
) ss.
County of KING)

On this __ day of October, 1998, before me personally appeared Judy Johnston, to me personally known, who, being by me duly sworn, says that (s)he is Vice President of MetLife Capital Corporation, and that (s)he is duly authorized to sign the foregoing instrument on behalf of MetLife Capital Corporation, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of MetLife Capital Corporation.


Notary Public

My commission expires: 12/19/01



State of WASHINGTON)
) ss.
County of KING)

On this __ day of October, 1998, before me personally appeared Judy Johnston, to me personally known, who, being by me duly sworn, says that (s)he is Vice President of MetLife Capital Corporation, and that (s)he is duly authorized to sign the foregoing instrument on behalf of MetLife Capital Corporation, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of MetLife Capital Corporation.


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